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## **USAID/Nigeria Partners with Diamond Bank, Accion Microfinance to Develop Nigeria's Private Health Sector**

**ABUJA, September 29, 2010** - The U.S. Agency for International Development (USAID), with Diamond Bank Plc and ACCION Microfinance Bank Limited, today announced the signing of a Development Credit Authority (DCA) guarantee of \$8.7 million to support Nigeria's private health sector. This will improve reproductive and maternal health services in the country.

Nigeria's private health sector accounts for two thirds of total health care delivery and plays a key role in the country's health insurance scheme, with 80 percent of its services managed by private health maintenance organizations. However, the sector is constrained by limited access to financing, which undermines private healthcare providers' ability to expand, purchase new equipment, and make quality improvements. Also, private healthcare providers frequently face stock shortages of basic, non-prescription medicines (including anti-malarials, pain killers, and vitamins) in rural and under-served areas. This lack of finance limits their ability to provide basic health services, including family planning, reproductive health, and maternal and child health services. Private health care providers in Nigeria are small and medium enterprises and cannot meet the high collateral requirements imposed by most financial institutions; they are also unable to access loan products with long terms.

USAID/Nigeria is providing the DCA guarantee to promote lending to the private health sector, especially enterprises that offer family planning, reproductive health, and maternal and child health services. The guarantee will allow Diamond Bank and ACCION Microfinance Bank to significantly increase lending to complementary segments of the health care market and improve product terms by reducing collateral requirements and offering longer loan terms. With technical assistance offered by USAID in the form of market information, linkages to the sector, and training to front line lending staff, both institutions will have increased know-how and confidence in the sector and will be motivated to increase lending during and after the life of the guarantee.

"The American people, through USAID, are proud to encourage sector lending in industries vital to economic development," said USAID's Acting Mission Director, Ms. Michelle Godette. "Strengthening the ability of financial institutions to lend increases access to credit, enabling individuals to improve their lives and spur regional growth."

USAID's DCA works with financial institutions to open up existing sources of local finance that can be used to invest in under-served markets to achieve development results.

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